



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

February 10, 2000

Mary Maloney, Treasurer  
Iowa Democratic Party  
5661 Fleur Drive  
Des Moines, IA 50321

Identification Number: C00035600

Reference: Mid-Year Report (1/1/99-6/30/99)

Dear Ms. Maloney:

This letter is to inform you that as of February 9, 2000, the Commission has not received your response to our request for additional information, dated January 19, 2000. This notice requests information essential to full public disclosure of your federal election campaign finances. To ensure compliance with the provisions of the Federal Election Campaign Act (the Act), please respond to this request (copy enclosed).

The Commission is in receipt of your 1999 Year End Report on January 31, 2000; however, this does not address the matters in our letter referenced above. If no response is received within fifteen (15) days from the date of this notice, the Commission may choose to initiate audit or legal enforcement action.

If you should have any questions regarding this matter, please contact Debbie Chacona on our toll-free number (800) 424-9530 or our local number (202) 694-1130.

Sincerely,

A handwritten signature in dark ink, appearing to read "John D. Gibson".

John D. Gibson  
Assistant Staff Director  
Reports Analysis Division

Enclosure



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Mary Maloney, Treasurer  
Iowa Democratic Party  
5661 Fleur Drive  
Des Moines, IA 50321

Identification Number: C00035600

JAN 19 2000

Reference: Mid-Year Report (1/1/99-6/30/99)

Dear Ms. Maloney:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The Commission notes the transfer-out of \$300 for the apparent impermissible funds received from the IBEW Local 1634 and the transfer-out of \$1,000 for the misdeposit of funds from Leadership 98. In addition, the Commission notes the \$199.28 transfer-out for a federal expense incorrectly paid for from the non-federal account. Please provide the original date of receipt of these transactions and amend the report(s) covering the period during which the activity occurred. Although the Commission may take further legal action concerning this prohibited and impermissible activity, your prompt action will be taken into consideration.

-Your report discloses \$2,070 in transfers to your non-federal account for "redesignations of contributions" received from two individuals. In addition, your report includes copies of letters received from these individuals which state that these individuals failed to realize their last contribution would put them over the \$5,000 federal limit. However, your report only discloses \$5,000 received from each of these individuals. Please amend your report to provide the missing information.

-Your report discloses receipts totaling \$88,000 from ASDC Dollars for Democrats, which is a joint fundraising committee(s) affiliated with your committee. Please be advised that a memo Schedule A must be provided to itemize your committee's share of the gross contributions received through

the joint fundraiser(s). The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year, and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. 11 CFR §102.17(c)(8)(i)(B)

-Schedule A of your report discloses receipts totaling \$52,454.01 from the State of Iowa which appear to be funds derived from a state tax checkoff. Please clarify this on your report.

-Your report discloses refunds and rebates of allocable expenses which appear to be disclosed incorrectly. Please be advised that the transfer to the non-federal account for the non-federal share should be disclosed on Schedule H4 with a cross reference to the Schedule A where the rebate is itemized. Please refer to the enclosed sample of properly reported refunds and rebates of allocable expenses when preparing your next filing.

-It appears that the figures you have disclosed on Lines 21(a) through 23 of the Detailed Summary Page have been inadvertently recorded on the incorrect lines. Please amend your report to disclose your figures on the correct lines of the Detailed Summary Page.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 694-1130.

Sincerely,

*Debbie Chacona*

Debbie Chacona  
Senior Reports Analyst  
Reports Analysis Division

## 10. Refunds and Rebates of Allocable Expenses

If a committee receives a refund or a rebate of an allocable expense, the refund or rebate must be deposited in the federal or allocation account. The refund or rebate must then be allocated between the federal and nonfederal accounts according to the same allocation ratio used to allocate the original disbursement. The federal account must transfer the nonfederal portion to the nonfederal account.

### Example

A committee receives a \$400 rebate on office equipment from the Acme Office Store. The original purchase was an administrative expense allocated according to the following ratio: 75 percent federal; 25 percent nonfederal.

Reporting Method 1 illustrates how this rebate would be reported according to the method approved in Advisory Opinion (AO) 1995-22. Reporting Method 2 shows how the rebate would be reported under an alternative method.

#### Reporting Method 1

Using the method of reporting described in AO 1995-22, the committee discloses the receipt of the rebate and the federal and nonfederal shares on Schedule H4. The amounts are negative entries subtracted from total shared federal and nonfederal disbursements for the reporting period (disclosed on Lines 21a(i) and (ii) of the Detailed Summary Page).

#### Reporting Method 2

Under the alternative method, the committee reports the receipt of the \$400 rebate under the category "Offsets to Operating Expenditures" on Line 15 of the Form 3X Detailed Summary Page. The committee uses Schedule H4 to disclose the federal account's \$100 transfer to the nonfederal account for the nonfederal share.

## ALLOCATION OF REBATE (H4) (METHOD 1)

DISBURSEMENT SCHEDULE H4 Effective 1/1/91		JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE		PAGE 1 OF 1 FOR LINE 21a	
NAME OF COMMITTEE State Party Committee					
A. FULL NAME, MAILING ADDRESS & ZIP CODE Acme Office Store 888 Dead End City, State ZIP		PURPOSE/RENT Rebate	DATE 3/15/96	TOTAL AMOUNT (\$400.00)	NON-FEDERAL SHARE (\$100.00)
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE EXPENSE EFFECT YEAR TO DATE: 8,800.00		FUNDING 888 of temporary support	EXEMPT		

This entry shows the receipt of the \$400 rebate and the federal and nonfederal allocated shares. All the amounts are in parentheses to indicate that they are negative entries. That is, the amounts are subtracted from the corresponding Schedule H4 totals (thus reducing the federal and nonfederal shares of disbursements). The year-to-date total is also reduced by the amount of the rebate.

## RECEIPT OF REBATE (A/LINE 15) (METHOD 2)

SCHEDULE A ITEMIZED RECEIPTS		PAGE 1 OF 1 FOR LINE 15	
Offsets to Operating Expenditures			
Are the receipts listed here such Receipts and Statements are not to be used by the donor for the purpose of deducting contributions or for commercial purposes, other than the selling the item and receipts in the form of a receipt to be used for commercial purposes from such activity.			
NAME OF COMMITTEE for Full State Party Committee			
A. Full Name, Mailing Address and ZIP Code Acme Office Store 888 Dead End City, State ZIP		DATE 3/1/96	AMOUNT OF EACH Receipt for Receipt \$400.00
RECEIVED BY <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Other		REMARKS Rebate for office equipment	

The \$400 rebate is reported as a receipt under the category "offsets to operating expenditures" (Line 15 of the Form 3X Detailed Summary Page). The rebate has to be itemized on Schedule A because it exceeds \$200.

## TRANSFER OF NONFEDERAL SHARE (H4) (METHOD 2)

DISBURSEMENT SCHEDULE H4 Effective 1/1/91		JOINT FEDERAL/NON-FEDERAL ACTIVITY SCHEDULE		PAGE 1 OF 1 FOR LINE 21a	
NAME OF COMMITTEE State Party Committee					
A. FULL NAME, MAILING ADDRESS & ZIP CODE State Party Committee / Nonfederal Account 444 Democracy Blvd. City, State ZIP		PURPOSE/RENT Transfer of nonfederal share of rebate (see Schedule A/Line 15)	DATE 3/15/96	TOTAL AMOUNT \$100	NON-FEDERAL SHARE 0
CATEGORY: <input checked="" type="checkbox"/> ADMINISTRATIVE EXPENSE EFFECT YEAR TO DATE: 1		FUNDING DIRECT ENDORSE SUPPORT	EXEMPT		

Based on the 75/25 allocation ratio for administrative expenses, the federal account must return \$100 (25 percent of the rebate) to the nonfederal account. The transfer to the nonfederal account is shown on Schedule H4. The entry explains the reason for the transfer and includes a cross-reference to the Schedule A where the rebate is itemized.

